

Alabama Power's switch to natural gas an asset for Goodyear

By [Dana Beyerle](#)

Times Montgomery Bureau

Published: Monday, December 19, 2011 at 6:04 p.m.

MONTGOMERY — Alabama Public Service Commission member Terry Dunn on Monday announced a five-year steam supply contract between Alabama Power Co. and the Goodyear Tire & Rubber Co. plant in Gadsden.

Dunn said the contract is subject to PSC approval this week.

“In my first meeting with executives of Alabama Power, only a day or two after I took office, a new contract with Goodyear was near the top of my agenda,” Dunn said in a statement.

The story behind the story is about the fuel used to produce steam and electricity at the Alabama Power plant and the cost savings to both Alabama Power and Goodyear.

Alabama Power is switching from coal to mostly natural gas, a cheaper fuel, at the Gadsden electricity generating plant, partly because of new environmental regulations.

Any savings from cheaper fuel could be instrumental to lessen or nullify the need for Alabama Power to pass higher costs from coal burning mitigation efforts on to Goodyear, a major employer that local and state officials are trying to keep in Gadsden.

“We continue to work with corporate Goodyear (to show) that we are extremely interested in its long-term viability and this is another step in that direction,” state Rep. Blaine Galliher, R-Rainbow City, said.

Alabama Power’s electric generating plant uses steam to produce electricity, and steam also is required in tire making at Goodyear.

Alabama Power’s Gadsden plant has the capability to produce steam and electricity using coal or natural gas, or both. The plant also was an experimental site for burning wood biomass and switch grass fuels, but the plant now does not burn biomass. It’s using more natural gas than coal, company spokesman Michael Sznajderman said.

He said the relatively lower cost of natural gas, coupled with potential future costs associated with coal burning exhaust mitigation equipment, means natural gas is more economical.

“We’re not completely weaned off coal,” Sznajderman said. “The goal is to have flexibility. It’s good economics at the plant because the price of natural gas is coming down.”

Natural gas also is cleaner burning than coal, which can require expensive pollution reducing equipment.

Dunn said negotiations took on greater significance because of the tougher air pollution rules that take effect Jan. 1.

“The new environmental requirements, coupled with low prices in the current natural gas market, made operating the company’s Gadsden plant on natural gas a more economic alternative than operating it on coal,” he said. “The new contract minimized the cost impacts of the new requirements both to Goodyear and Alabama Power,” he said.

Goodyear released a statement: “Goodyear-Gadsden appreciates the efforts of Commissioner Dunn and our elected officials in their quest to retain current industry in Etowah County and the entire state of Alabama. We have had a long-standing relationship with Alabama Power Co., and we’re proud that it will continue.”

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